

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

SUNEARTH, INC.; and THE SOLARAY  
CORPORATION,

Plaintiffs,

v.

SUN EARTH SOLAR POWER CO., LTD.;  
NBSOLAR USA, INC.; and DOES 1-10,

Defendants.

No. C 11-4991 CW

ORDER GRANTING IN  
PART AND DENYING  
IN PART  
PLAINTIFFS' MOTION  
TO ALTER JUDGMENT  
(Docket No. 175)

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On August 23, 2012, the Court issued findings of fact and conclusions of law and order resolving a motion for partial summary adjudication. Docket No. 163. The Court also awarded attorneys' fees in connection with Plaintiffs' second motion for contempt and denied fees in connection with Plaintiffs' third motion for contempt. Docket No. 162. Pursuant to Federal Rule of Civil Procedure 59(e), Plaintiffs timely moved to alter the judgment. Defendants opposed Plaintiffs' motion. Having considered the papers submitted by the parties, the Court GRANTS Plaintiffs' motion in part and DENIES it in part.

BACKGROUND

Because the facts of this case are described in sufficient detail in the Court's aforementioned findings of fact and conclusions of law and order resolving the motion for partial summary adjudication, they will not be repeated here. Relevant to the instant motion is that the Court issued a modified preliminary injunction on March 13, 2013 that ordered, "Defendants shall not

1 display the words 'SUN EARTH' in a distinctive manner of  
2 presentation that makes them stand out in any way from other words  
3 on the relevant document[.]” Docket No. 80 at 2. “[F]or goods  
4 branded as NBSolar rather than Sun Earth, Defendants shall be  
5 permitted to identify [Sun Earth Solar Power Co., Ltd.] . . . to  
6 the minimum extent necessary” as the manufacturer of their NBSolar  
7 brand solar panels. On July 5, 2012, Defendants filed a  
8 compliance report that included a photograph of their altered  
9 panel label. The label featured “Sun Earth” at the top of the  
10 text. On July 18, 2012, after the parties failed to reach a  
11 settlement at a court-ordered mediation, Defendants sent  
12 Plaintiffs a proposed redesign of a panel label that placed “Sun  
13 Earth Solar Power Co., Ltd.” in one line at the bottom. Foster  
14 Dec., Ex. B, Docket No. 121-2. Six days later, on July 24, 2012,  
15 Plaintiffs filed a third contempt motion. Docket No. 113.  
16 Plaintiffs’ primary contention was that both the original and  
17 modified versions of the label had violated the Court’s modified  
18 injunction because it continued to identify “Sun Earth” on the  
19 label.

20 On August 23, 2013, the Court denied Plaintiffs’ third motion  
21 for civil contempt on the grounds that the modified preliminary  
22 injunction permits Defendants to identify Sun Earth as the  
23 manufacturer to the “minimum extent necessary as required by law  
24 or ordinary business customs to operate within the United States  
25 under the NBSolar name.” Docket No. 162 at 9 (citing Modified  
26 Preliminary Injunction, Docket No. 80). The Court reasoned that  
27 Defendants had presented evidence that they must “disclose that  
28 [Sun Earth] is the ultimate manufacturer for a variety of reasons,

1 including to United States Customs and Border Patrol for payment  
2 of appropriate tariffs and to allow customers to obtain financial  
3 incentives from government agencies for installation of renewable  
4 energy sources." Id. at 9. The Court also found that the  
5 original label violated the modified preliminary injunction  
6 because the name "Sun Earth Solar Power Co., Ltd." was pictured at  
7 the top of the label in a conspicuous manner. The Court found,  
8 however, that the modified version comports with the Court's  
9 direction that these words should not be set out in a distinctive  
10 manner from the other portion of the text. Because Defendants  
11 eventually modified the label without an order from the Court, the  
12 Court concluded that they "voluntarily came into compliance with  
13 the terms of the injunction[.]" Id. at 10. Declining to impose  
14 sanctions, the Court reasoned that "civil sanctions are not  
15 required to coerce compliance and could serve only punitive  
16 purposes, which are not permitted for such sanctions." Id.

17 Plaintiffs now seek entry of an order that (1) corrects the  
18 typographical error in the judgment that incorrectly refers to the  
19 domain name at issue as "sun-earth.us" rather than "sunearth.us";  
20 (2) alters the judgment to order the United States Patent and  
21 Trademark Office (USPTO) to cancel Defendants' Trademark  
22 Registration No. 3,886,941; and (3) holds that Plaintiffs are  
23 entitled to recover attorneys' fees and costs in connection with  
24 bringing the third contempt motion.

#### 25 LEGAL STANDARD

26 Rule 59(e) provides that a "motion to alter or amend a  
27 judgment must be filed no later than 28 days after the entry of  
28 the judgment." Fed. R. Civ. P. 59(e). Rule 59(e) motions are

1 interpreted as motions for reconsideration, and are appropriate if  
 2 the district court "(1) is presented with newly discovered  
 3 evidence, (2) committed clear error or the initial decision was  
 4 manifestly unjust, or (3) if there is an intervening change in  
 5 controlling law." Sch. Dist. No. 1J, Multnomah County, Oregon v.  
 6 AcandS, Inc., 5 F. 3d 1255, 1263 (9th Cir. 1993). A motion for  
 7 reconsideration shall not "repeat any oral or written argument  
 8 made by the applying party in support of or in opposition to the .  
 9 . . order which the party now seeks to have reconsidered." Civil  
 10 L.R. 7-9(c).

#### 11 DISCUSSION

12 1. Registration of the "sunearth.us" domain name  
 13 Plaintiffs request that the Court correct a typographical  
 14 error in its judgment, in which the Court found Defendants to have  
 15 improperly registered the domain name "sun-earth.us."  
 16 Plaintiffs' motion is granted and the Court will change "sun-  
 17 earth.us" to "sunearth.us" in its judgment and permanent  
 18 injunction.

19 2. Cancellation of Defendants' Trademark Registration  
 20 In its findings of fact and conclusions of law, this Court  
 21 ordered, "[B]ecause Defendants do not have a right to registration  
 22 of this infringing mark, the Court orders the cancellation of  
 23 Registration No. 3,886,941." Docket No. 163 at 43. Plaintiffs  
 24 request that, in its judgment, the Court order cancellation of  
 25 Defendants' registration. The Court will alter its judgment to  
 26 order the cancellation of the trademark registration.

27 3. Attorneys' Fees  
 28 Plaintiffs request that the Court reconsider its denial of

1 attorneys' fees in connection with their third contempt motion.  
2 Plaintiffs make two arguments. First, Plaintiffs argue that the  
3 Court erred in reasoning that Defendants demonstrated "voluntary  
4 compliance" with the modified injunction, because Defendants did  
5 not comply until after Plaintiffs brought the third contempt  
6 motion. Second and relatedly, Plaintiffs argue that the Court  
7 failed to consider that civil sanctions may be employed "to  
8 compensate the complainant for losses sustained." Pls.' Mot. at 7  
9 (citing United States v. United Mine Workers, 330 U.S. 258, 303-04  
10 (1947)). Plaintiffs conclude that, "had the Court fully and  
11 properly considered the possibility of awarding fees for the  
12 purpose of compensating Plaintiffs for bringing the motion, rather  
13 than simply for the purposes of coercing or punishing Defendants,"  
14 the Court would have granted Plaintiffs' attorneys' fees motion.  
15 Pls.' Mot. at 8.

16 The Court did not address the matter of compensation because  
17 Plaintiffs failed to demonstrate that they were entitled to it.  
18 As Defendants note, they sent Plaintiffs a proposed modified label  
19 and solicited suggestions from the Plaintiffs. Rather than  
20 respond to Defendants' solicitation, Plaintiffs filed the civil  
21 contempt motion six days later. Plaintiffs have not shown that  
22 their contempt motion was necessary to obtain Defendants'  
23 compliance. The Court therefore observed that Defendants  
24 "voluntarily came into compliance with the terms of the  
25 injunction[.]" A party's voluntary compliance diminishes the  
26 burden to the opposing party, obviating the need for compensation.  
27 Contrary to Plaintiffs' assertion, the Court did not hinge its  
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1 denial of attorneys' fees on the rationale that civil sanctions  
2 only serve the purpose of coercing or punishing Defendants.

3 Finally, Plaintiffs argue that reconsideration is justified  
4 because the Court held that Defendants' initial label had "[o]n  
5 its face" violated the modified injunction by placing the name  
6 "Sun Earth" in a conspicuous place. Violation of a court order  
7 alone, however, is not sufficient for a court to grant an order of  
8 contempt. Plaintiffs must also "prove by clear and convincing  
9 evidence that under a good faith, reasonable interpretation of  
10 the . . . order, [Defendant] did not substantially comply with the  
11 order." In re Dual-Deck Video Cassette Recorder Antitrust Litig.,  
12 10 F.3d 693, 696 (9th Cir. 1993).

13 Here, Plaintiffs' dominant and overarching argument in their  
14 third contempt motion was that Defendants' label had violated the  
15 modified preliminary injunction because it disclosed on the  
16 NBSolar product labels that Sun Earth was the manufacturer. The  
17 Court rejected Plaintiffs' argument and reiterated that  
18 Defendants' disclosure of Sun Earth as the ultimate manufacturer  
19 comports with law and ordinary business customs. Comparatively  
20 speaking, the issue of the location of "Sun Earth" on the label  
21 was minor. Plaintiffs have thus failed to prove by clear and  
22 convincing evidence that, under a good faith, reasonable  
23 interpretation of the order, Defendants did not substantially  
24 comply with the Court's modified preliminary injunction.

25 Plaintiffs have not demonstrated that the Court committed  
26 "clear error" or that "the initial decision was manifestly  
27 unjust." Sch. Dist. No. 1J, Multnomah County, Oregon, 5 F.3d at  
28 1263. "Reconsideration of a judgment after its entry is an

1 extraordinary remedy which should be used sparingly." 11 Charles  
2 Alan Wright & Arthur R. Miller, Federal Practice and Procedure  
3 § 2810.1 (4th ed. 2012). Accordingly, the Court declines to  
4 reconsider its denial of Plaintiffs' motion for attorneys' fees in  
5 connection with their third contempt motion.

6 CONCLUSION

7 For the foregoing reasons, the Court GRANTS in part and  
8 DENIES in part Plaintiffs' motion to alter the judgment.

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11 Dated: 11/22/2013

  
12 CLAUDIA WILKEN  
13 United States District Judge  
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